

State of Montana
Oil & Gas Lease Sale - June 2, 2015
Final Sale List

The following described lands will be offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Avenue, Helena, Montana, beginning at 9:00 am, June 2, 2015.

Tract	Stipulations	Twp	Rng	Sec	Description		Acres	Bid/Acre	Bidder
Big Horn									
1	1, 2, 3, 4, 5, 6, 11, 13, 14	2.N	33.E	35	Lot 1, Big Horn Riverbed and related acreage	*	143.60	_____	_____
Custer									
2	1, 2, 3, 4, 5, 6, 7, 10	13.N	46.E	36	All		640.00	_____	_____
Dawson									
3	1, 2, 3, 4, 5, 6	13.N	53.E	2	Lots 1, 2, S2NE4		160.04	_____	_____
4	1, 2, 3, 4, 5, 6, 15	13.N	53.E	16	All	*	640.00	_____	_____
5	1, 2, 3, 4, 5, 6	15.N	53.E	24	S2	*	320.00	_____	_____
Fallon									
6	1, 2, 3, 4, 5, 6, 7, 10	10.N	56.E	16	All		640.00	_____	_____
7	1, 2, 3, 4, 5, 6, 10	10.N	56.E	34	S2		320.00	_____	_____
8	1, 2, 3, 4, 5, 6, 7, 10	10.N	56.E	36	All		640.00	_____	_____
Garfield									
9	1, 2, 3, 4, 5, 6, 10	15.N	30.E	36	NE4, NE4NW4, NE4SE4		240.00	_____	_____
Hill									
10	1, 2, 3, 4, 5, 6	33.N	14.E	28	W2SW4		80.00	_____	_____
11	1, 2, 3, 4, 5, 6, 10	33.N	14.E	29	E2SE4		80.00	_____	_____
Prairie									
12	1, 2, 3, 4, 5, 6, 10, 12	11.N	56.E	16	All		640.00	_____	_____
13	1, 2, 3, 4, 5, 6, 10	11.N	56.E	36	All		640.00	_____	_____
14	1, 2, 3, 4, 5, 6, 8	12.N	54.E	13	All		640.00	_____	_____
15	1, 2, 3, 4, 5, 6	12.N	54.E	14	E2, SW4		480.00	_____	_____
16	1, 2, 3, 4, 5, 6, 7	12.N	54.E	16	All		640.00	_____	_____
17	1, 2, 3, 4, 5, 6, 7, 10	12.N	54.E	36	All		640.00	_____	_____
18	1, 2, 3, 4, 5, 6, 7, 10	12.N	56.E	16	All		640.00	_____	_____
19	1, 2, 3, 4, 5, 6, 7, 10	13.N	46.E	16	All		640.00	_____	_____
20	1, 2, 3, 4, 5, 6, 7, 10	13.N	47.E	32	E2		320.00	_____	_____
21	1, 2, 3, 4, 5, 6, 15	13.N	53.E	36	All	*	640.00	_____	_____
22	1, 2, 3, 4, 5, 6, 7, 10	13.N	55.E	36	All		640.00	_____	_____
23	1, 2, 3, 4, 5, 6, 10	14.N	45.E	24	W2		320.00	_____	_____
24	1, 2, 3, 4, 5, 6, 10	14.N	45.E	36	All		640.00	_____	_____
25	1, 2, 3, 4, 5, 6, 7, 10	14.N	46.E	16	All		640.00	_____	_____
26	1, 2, 3, 4, 5, 6, 7, 10	14.N	46.E	36	All		640.00	_____	_____
27	1, 2, 3, 4, 5, 6, 10	15.N	45.E	36	All		640.00	_____	_____

Tract	Stipulations	Twp	Rng	Sec	Description		Acres	Bid/Acre	Bidder
Richland									
28	1, 2, 3, 4, 5, 6, 12	23.N	55.E	36	All	*	640.00	_____	_____
29	1, 2, 3, 4, 5, 6, 7	27.N	54.E	16	N2, SE4		480.00	_____	_____
Roosevelt									
30	1, 2, 3, 4, 5, 6, 12, 16	28.N	58.E	16	NW4	*	160.00	_____	_____
31	1, 2, 3, 4, 5, 6, 8	29.N	54.E	16	All		640.00	_____	_____
32	1, 2, 3, 4, 5, 6, 16	29.N	58.E	30	N2SE4		80.00	_____	_____
33	1, 2, 3, 4, 5, 6, 16	30.N	56.E	16	N2, SE4		480.00	_____	_____
Sheridan									
34	1, 2, 3, 4, 5, 6, 7, 11, 16	34.N	55.E	16	All		640.00	_____	_____
35	1, 2, 3, 4, 5, 6, 8, 12, 16	34.N	57.E	16	All, below the base of the Mission Canyon formation	*	640.00	_____	_____
36	1, 2, 3, 4, 5, 6, 16	34.N	57.E	36	N2, SW4	*	480.00	_____	_____
Toole									
37	1, 2, 3, 4, 5, 6	33.N	1.E	16	All		640.00	_____	_____
38	1, 2, 3, 4, 5, 6	33.N	1.E	35	W2	*	320.00	_____	_____
39	1, 2, 3, 4, 5, 6	33.N	1.E	36	All		640.00	_____	_____
Wibaux									
40	1, 2, 3, 4, 5, 6, 9	11.N	57.E	18	E2		320.00	_____	_____

* Part or all of tract is not state-owned surface

Total Tracts	40
Total Acres	19,503.64

Additional lease stipulations are listed on the following pages. The Stipulations column on the sale list identifies which stipulations will be attached to each tract.

Sight drafts will not be accepted. The State Board of Land Commissioners reserves the right to reject any and all bids. All payments are due within ten days after the date of sale.

Individuals with disabilities may request assistance or special services by calling (406) 444-4576 at least one week prior to the sale.

STATE BOARD OF LAND COMMISSIONERS

State of Montana
Oil & Gas Lease Sale - June 2, 2015
Stipulations

- 1 Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
- 2 Prior to the drilling of any well on or into the lease premises, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.
- 3 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
- 4 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises. The lessee's methods of control shall be reviewed and approved by the Department's Unit Office that has jurisdiction for that locale.
- 5 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
- 6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
- 7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
- 8 The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
- 9 This lease is located within MT-DFWP sage grouse general habitat. Active sage grouse lek(s) is/are currently known to exist on or within two miles of this lease. Sage grouse lek distribution and status can change as new data is acquired. Proposed activities must comply with the Montana Sage Grouse Habitat Conservation Strategy and amendments thereto.
- 10 This lease is located within MT-DFWP sage grouse general habitat. Active sage grouse lek(s) is/are not currently known to exist on or within two miles of this lease. Sage grouse lek distribution and status can change as new data is acquired. Proposed activities must comply with the Montana Sage Grouse Habitat Conservation Strategy and amendments thereto.
- 11 Unless otherwise approved by the Department in writing, wells and related surface infrastructure, including new road construction, are prohibited within 1/2 mile of the centerline of a navigable river, lake or reservoir, and within 1/4 mile of direct perennial tributary streams of navigable waterways, on or adjacent to the tract. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, islands and accretions or abandoned channels.
- 12 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.

- 13 This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions. In addition, upon completion of a successful well, where river title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
- 14 If the lessee completes a successful oil and/or gas well, and if land title is disputed, the lessee shall fund professional land surveys as needed to determine the location and acreage encompassed by the spacing and/or pooling unit and the state lease acreage within that unit. Surveys shall be conducted by a licensed land surveyor acceptable to the Department, and shall be prepared pursuant to survey requirements provided by the Department.
- 15 Due to existing surface uses (such as center pivots, wheel lines, etc.) development on this tract may be restricted.
- 16 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Trust Land Management Division



STEVE BULLOCK, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074
TELEFAX NUMBER (406) 444-2684

PO BOX 201601
HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: September 1, 2015 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the September 2015 Oil and Gas Lease Sale has been set for **TUESDAY, SEPTEMBER 1, 2015**, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. Please call the Department of Natural Resources and Conservation for detailed directions, if necessary.

The deadline filing date for submitting applications on tracts to be nominated for the sale in September is 5:00pm on June 16, 2015. Applications must be received in this office by that date. If you have any questions, please contact me at jmason2@mt.gov or (406) 444-4576.

Julie Mason, Supervisor
Mineral Leasing Section
Minerals Management Bureau